



BSR Conference 2009

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The AT&T Experience: Integrating Sustainability in a Recession

Breakout Session Summary

Friday, October 23, 2009 | 10:15-11:30 a.m.

Speakers

- » **Charlene Lake**, Senior Vice President, Public Affairs and Chief Sustainability Officer, AT&T
- » **Eric Olson**, Senior Vice President, Advisory Services, BSR (moderator)

Highlights

- » Understanding a company's culture and how to connect new sustainability priorities to the existing operational and cultural drivers is important to gaining internal support—and to ultimately integrating sustainability throughout the company.
- » Identifying and building on the strengths and momentum of the company and of individuals helps to facilitate integration.
- » There are opportunities to maximize the impact of sustainability budgets, and this can be a focus for programs during a recession.

Memorable Quotes

"I wasn't going to accept that we needed more money to do things the right way. ...The business units have not increased their budgets to get things done. ...It's more about using your dollars wisely instead of spending more on sustainability."—Charlene Lake, AT&T

"Understanding the culture of your company is extraordinarily important. There's a saying that culture eats strategy for breakfast, and it's absolutely true."—Charlene Lake, AT&T

"If you feel like Sisyphus every day, you need to take a different approach. There are days when you're going to need to push that boulder up the hill, but not every day should be like that. Looking for the energy and momentum in the company is really where you can push things forward."—Charlene Lake, AT&T

"A lot of people from other industries look at your industry with some longing...wishing they had some story or as much growth potential on the green side, where their product is part of the solution. It seems like it would be very easy to go out and sell more green product, but I've never seen it to be easy."—Eric Olson, BSR

Overview

As AT&T's first Chief Sustainability Officer, Lake shared her insights gained from her experience establishing and leading AT&T's sustainability program, and integrating it throughout company operations. Lake began the session by focusing on the structure and location of the sustainability function, and the process for determining where it would fit the best. Due to the government affairs department's understanding of, and involvement in, the interaction between the business and community, it seemed a natural fit for the sustainability program. The government affairs department sat at the intersection of stakeholder and business relationships, which was an important asset for the sustainability program: it was involved in philanthropy, it had developed



relationships with third party advocacy groups, and its role in managing social policy all indicated that the department had the ability to work across the company.

Lake saw that sustainability functions were being executed in silos throughout the company, and her first task was to determine how to bring a team together and how to maximize its effectiveness. Lake's team, which is only four core people, works with a network of 20-25 expert teams throughout the organization. The core team focuses on providing intellectual support and guidance to the expert teams, which handle operations and implementation. Lake believes that this is the most effective structure, even though it is challenging to have accountability without the responsibility or decision-making ability.

While working with teams embedded throughout AT&T connects sustainability goals with technical expertise and ability to implement, a common challenge with this model is ensuring that sustainability priorities are not overshadowed by different departments' priorities. Although formally securing the expert team members' time was not hard, Lake noted that it became increasingly difficult to convince her expert teams to assign higher priority, and dedicate more resources, to sustainability issues. To overcome this challenge, Lake relied on her understanding of the company's culture to integrate sustainability goals and priorities.

Lake drew on her experience initiating a company-wide carbon footprint to illustrate the role that understanding culture can play. Lake found that making the case for carbon footprinting based solely on environmental responsibility was not effective. However, AT&T was already very focused on energy conservation, and Lake readjusted her strategy to use the company's carbon footprint to reinforce this commitment. Lake focused on the carbon footprint as another data point to help the company understand and manage its energy consumption, which would also allow it to understand how its energy consumption impacts the environment. This framing allowed Lake to demonstrate the importance of this initiative and the company is now collecting data for its first carbon footprint.

On maintaining sustainability initiatives during the recession, Lake emphasized that it is more important than ever to focus on the long-term benefit. The notion that sustainability is something that is optional, and that it requires additional cost, can lead to freezing such programs during tight economic times. However, Lake maintained that advancing sustainability programs required rethinking how to spend resources, and not requesting additional budget. Realizing that there will always be temporary challenges and setbacks, Lake reminded the audience of the heightened importance to signal to other businesses the need to remain optimistic, and to keep investing.

Asked about key success factors in making the case for sustainability, Lake recounted how AT&T's CEO had taken the early step of asking a committee of the Board to provide oversight of all citizenship and sustainability issues and activities. Lake's team also prepared a long, robust list of reasons for why they wanted to drive an initiative forward and found that everyone they presented it to could identify with at least one or two of the reasons. Considering how to make the case from different perspectives, and for different areas of the organization, proved instrumental in moving ideas forward in any direction.

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